

FILED

IN THE CIRCUIT COURT OF KANAWHA COUNTY, WEST VIRGINIA

2007 JUL 27 PM 4:51

STATE OF WEST VIRGINIA ex rel.
DARRELL V. McGRAW, JR.,
Attorney General,

CLERK
KANAWHA CO. CIRCUIT COURT

Plaintiff,

v.

C.A. No. 07-C-438
(Judge Kaufman)

BLUEHIPPO FUNDING, LLC, a Maryland
limited liability corporation; BLUEHIPPO CAPITAL,
L.L.C., a Nevada limited liability corporation; JOSEPH
K. RENSIN, manager of BlueHippo Funding, L.L.C.
and manager of BlueHippo Capital, L.L.C.,

Defendants.

AGREED ORDER

On July 26, 2007, Plaintiff the State of West Virginia ex rel. Darrell V. McGraw, Jr. ("Plaintiff" or the "State"), and Defendants BlueHippo Funding, LLC and BlueHippo Capital, LLC (collectively "Defendants" or "BlueHippo"), appeared for hearing on the State's previously filed Petition for Preliminary Injunction. Present were Senior Assistant Attorney General Charli Fulton, on behalf of the State, and Kara L. Cunningham and Russell D. Jessee of Steptoe & Johnson PLLC, on behalf of BlueHippo. The State offered the testimony of the following witnesses: Sharon L. Williams-Parker, Jane Woodyard, and Michelle Duncan Bishop, Esq., Deputy General Counsel for the Department of Revenue. Counsel for BlueHippo cross-examined each witness.

Counsel thereafter advised the Court that prior to the hearing, as requested by the Court, the parties had attempted to reach a mutually agreeable resolution concerning the State's Petition, but had been unable to do so. Following further discussions during an adjournment of

the hearing, the parties advised the Court that they reached agreement on all but two issues. The Court's rulings with respect to those two issues are set forth below.

* * *

The Court has reviewed the parties' agreement, and has determined that good cause exists to accept it. The terms of the parties' agreement are as follows:

1. BlueHippo agrees that it will not enter into new transactions with West Virginia consumers. The State agrees that BlueHippo will continue to receive funds from West Virginia consumers with active open accounts, and may communicate with those consumers concerning their transactions.

2. BlueHippo agrees to establish an escrow account in West Virginia, into which funds received from active open accounts for West Virginia consumers will be deposited no less frequently than every two weeks. The account agreement will require two signatures to authorize any withdrawal from the account; one by a representative of the State, and one by a representative of BlueHippo. The account will be established in accordance with the requirements of West Virginia law.

3. Before filing or otherwise proceeding with any action in state court, federal court, or an arbitration forum, to attempt to enforce obligations or recording any judgments arising from a transaction with a West Virginia consumer, BlueHippo agrees to provide the State with written notice of its intent to proceed. The State must notify BlueHippo of any objection, in writing, within 14 days of receipt of BlueHippo's notice. If the State does not do so, BlueHippo may proceed. If the State so objects, the parties shall present the matter to the Court for prompt resolution. The notices referred to in this paragraph shall be provided by the initiating party's counsel to the opposing party's counsel.

* * *

As noted above, the parties advised the Court that they were unable to reach agreement with respect to two issues: (1) the State's request for West Virginia customer information, and (2) the State's demand that BlueHippo post a bond in the amount of \$200,000. With respect to the former, after considering the parties' respective positions, including BlueHippo's objection, in order to facilitate the oversight of the parties' agreement as set forth in paragraphs 1-3 above, the Court GRANTS the State's request, and ORDERS BlueHippo to provide the following information to the State within 14 days of the date of entry of this Order:

1. A list containing the names and addresses of West Virginia consumers with whom BlueHippo Funding, LLC entered into transactions between June 19, 2006 and the present, including the items purchased by the consumer and the amounts charged for the items; and

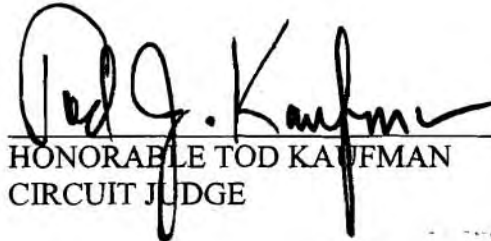
2. A list containing the names and addresses of West Virginia consumers with whom BlueHippo Capital, LLC has entered into transactions, including the items purchased by the consumer and the amounts charged for the items.

With respect to the State's demand that BlueHippo post a \$200,000 bond, the Court has determined that there is not an adequate record on which to render a decision at this time, and that additional time in any event would be necessary in order to fully consider the relevant legal issues. The Court therefore declines to order the posting of such a bond at this time. The parties are ORDERED to appear for a STATUS CONFERENCE on August 22, 2007, at 8:00 a.m., at which time they will advise the Court regarding any further efforts at resolution, as well as the status of their efforts to develop an adequate record. If either party seeks to address other issues

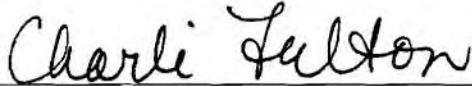
pertaining to the substance of this Order at the status conference, they may be heard upon 10 days' notice to opposing counsel.

IT IS SO ORDERED.

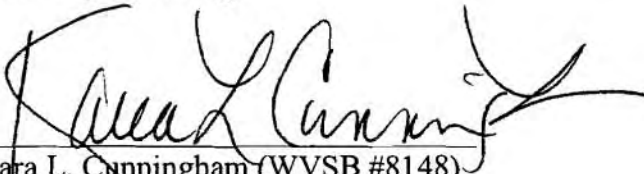
ENTER: July 27th 2007


HONORABLE TOD KAUFMAN
CIRCUIT JUDGE

Agreed to by:

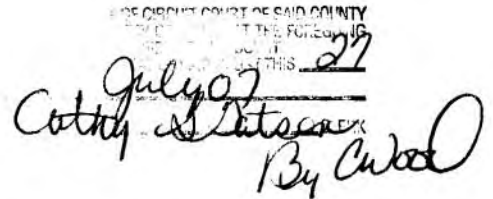


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CLERK OF THE COURT OF SAID COUNTY
FILED IN CASE NO. 07-000000
AT THE FOREMAN'S
OFFICE OF THE CLERK OF THE COURT
ON THIS 27th DAY OF JULY 2007

By 